



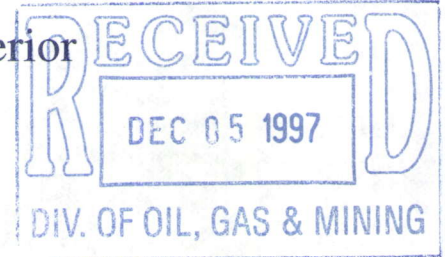
IN REPLY REFER TO:

U-73999
3809
(UT-023)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake District Office
2370 South 2300 West
Salt Lake City, Utah 84119



DEC - 4 1997

D. Wayne Hedberg
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Dear Mr. Hedberg:

During a routine inspection of the Gold Hill area on September 4, 1996 we discovered that American Consolidated Mining Company (ACMC) had begun to construct a milling facility on their Cactus millsite, located in T. 7 S., R. 18 W., Section 35, without submitting a Notice or Plan of Operations to this office. ACMC had erected a crushing plant, a mill building, an office trailer, a small unlined pond, a storage yard, a concrete storage bin, a vehicle yarding area, and numerous trash dumps on the site. In addition, ACMC had constructed a fence around the perimeter of the mill facility, located within an ephemeral drainage. Through the use of a topographic map (Gold Hill 7.5' quad), I estimated that the area enclosed within the fence was 5.3 acres.

On September 5, 1996, I contacted Tom Munson of your office to find out if ACMC had obtained authorization from the State to erect their milling facility. Tom informed me that ACMC had submitted a Notice of Intent (NOI) to the Division of Oil, Gas and Mining (DOGM) on May 25, 1995. In the NOI, ACMC had indicated that the lands they proposed to use for milling were private (fee) lands. For that reason, the Bureau of Land Management (BLM) was not informed of ACMC's activities. ACMC was subsequently placed in noncompliance for failure to submit a Notice or Plan of Operations to this office prior to constructing their mill on Public Lands.

On September 24, 1996, we received an incomplete Plan of Operations from ACMC. In their Plan, ACMC stated that they intended to disturb less than 5 acres at the Cactus millsite. From their submitted map however, I calculated that the project area enclosed by their fence was 8.18 acres (see map and calculations, enclosed). On October 10, 1996, William Moeller of ACMC requested that the submitted Plan of Operations be changed to reflect the calculated 8.18 acres (letter enclosed). To date, we have not received sufficient information from ACMC

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to consider their Plan to be complete, and for that reason have not forwarded their Plan to DOGM for review. We understand that because the proposed milling activities include more than 5 acres, DOGM will require ACMC to submit a large mine plan, a reclamation plan, and a reclamation bond for their activities on the millsite.

In order to avoid a duplication of efforts, and to expedite the permitting process, with this letter we are requesting that DOGM notify ACMC of the State's process for an operator's submittal and approval as a large mining operation. Upon the BLM's receipt of a complete Plan of Operations from ACMC, we will forward this information to DOGM.

If you have any questions, or require additional information, please feel free to contact me at (801) 977-4360.

Sincerely,

A handwritten signature in black ink that reads "Michael Ford". The signature is written in a cursive, flowing style.

Michael Ford
Geologist

Enclosures

Triangle 'A'

$$A = \frac{1}{2} \times 532.4 \times 520.78 \sin 38^\circ$$

$$= \frac{1}{2} \times 277,263 \sin 38^\circ$$

$$= 85,350 \text{ SF}$$

Triangle 'B'

$$A = \frac{1}{2} \times 813.12 \times 520.78 \sin 42^\circ$$

$$= \frac{1}{2} \times 423,456 \sin 42^\circ$$

$$= 141,673 \text{ SF}$$

GHM-2 UNC 359376



Triangle 'C'

$$A = \frac{1}{2} \times 813.12 \times 600.16 \sin 38^\circ$$

$$= \frac{1}{2} \times 488,002 \sin 32^\circ$$

$$= 129,300 \text{ SF}$$

$$85,350$$

$$141,673$$

$$129,300$$

$$\hline 356,323$$

$$\hline 43,560 =$$

8.18 acres

10/1/97 MF